

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF VERMONT**

SCOTT TRAUDT,

Plaintiff,

v.

ARI RUBINSTEIN, GTS SECURITIES  
LLC, GTS EQUITY PARTNERS LLC,  
GTS EXECUTION SERVICES LLC,  
CHARLES W. SCHWAB AND CO. INC.,  
SCHWAB HOLDINGS, INC., FINANCIAL  
INDUSTRY REGULATORY AUTHORITY,

Defendants,

CASE NO. 2:24-cv-782

**DEFENDANT FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC.’S  
OPPOSITION TO PLAINTIFF’S MOTION FOR EXTENSION OF TIME**

Defendant Financial Industry Regulatory Authority, Inc. (“FINRA”) submits this opposition to Plaintiff Scott Traudt’s (“Traudt”) Motion for Extension of Time of 90 Days to File a Motion to Amend The Complaint Against Defendant FINRA [ECF 150] (the “Motion”).

First, Traudt purports to file his Motion pursuant to Local Civil Rule 7(a)(7). But this is inaccurate – instead, Traudt failed to meet and confer with FINRA (and to certify that he had done so) as required by the Local Rule in advance of filing this non-dispositive Motion. As a result, Traudt’s Motion fails to comply with Local Civil Rule 7 and could be denied on this basis alone.<sup>1</sup>

Second, FINRA objects to any proposed extension of time granted upon the grounds cited by Traudt. Traudt’s claims against Charles W. Schwab and Co. (“Schwab”) have been stayed by

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<sup>1</sup> Notably, in its Order Denying Plaintiff’s Motion for Leave to File Second Amended Complaint [ECF 149], the Court expressly directed Traudt to “follow the court’s Local Rules” in any filing seeking further leave to amend. That directive applies with equal force to Traudt’s present Motion.

this Court pending the outcome of arbitration. That pending arbitration does not warrant any delay in this action with regard to claims against other parties. Likewise, the fact that Traudt is involved in multiple other litigation matters does not warrant a delay in this action. *See* ECF 150, ¶¶ 2, 3, & 4.

Third, Traudt fails to explain how or why he is unable to comply with any specific deadline imposed by the Court or the Federal Rules of Civil Procedure due to his impending “Maritime Service Obligations” between August 12, 2025, and September 10, 2025. *See* ECF 150, ¶5. If Traudt believes he has a deadline during that time period, he could and should specify and seek appropriately tailored relief.

Finally, Traudt’s Motion states his intent to seek leave to file yet another proposed amended complaint against FINRA in this action. ECF 50, at 4. It is unclear how Traudt could possibly purport to assert different claims against FINRA that are not barred by immunity or the other legal defenses that formed the basis of the Court’s prior Order Denying Plaintiff’s Motion for Leave to File Second Amended Complaint [ECF 149] (the “Order”). The Order expressly denied leave to amend as to Traudt’s claims against FINRA “because amendment would be futile” due to the fact that: (a) “FINRA has absolute immunity from Plaintiff’s claims for damages[;]” and (b) “[b]ecause FINRA is not a state actor, the SAC fails to state a claim” for constitutional violations. Order, at 10, 11-12. These rulings suggest that any further amendment of Traudt’s claims against FINRA would be futile.

Under the circumstances, there is no basis to delay the disposition of this case against FINRA pending the separate and unrelated outcome of Traudt’s arbitration with Schwab. To that end, FINRA respectfully requests that the Court:

- (i) Deny Traudt’s Motion; and

- (ii) Issue a supplement to the Court's prior Order entering partial judgment dismissing all claims against FINRA pursuant to Federal Rule of Civil Procedure 54(b), which provides that "the court may direct entry of a final judgment as to one or more, but fewer than all, claims or parties" if it determines "there is no just reason for delay."

Respectfully submitted this 18th day of August, 2025.

DOWNS RACHLIN MARTIN PLLC

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on Monday, August 18, 2025, the foregoing document was electronically filed with the Clerk of Court using the CM/ECF system. The CM/ECF system will provide service of such filing via Notice of Electronic Filing to counsel for the parties. In addition, an electronic copy of the filed document is being e-mailed to all parties in the case.

/s/ Matthew S. Borick  
Matthew S. Borick

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